



ST. FRANCISVILLE, LOUISIANA

**COMPONENT UNIT FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/3/11

WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
COMPONENT UNIT FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
DECEMBER 31, 2010

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COMPONENT UNIT FINANCIAL STATEMENTS

MARY SUE STAGES, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

.....
3121 Van Buren Street, Suite A
P. O. Box 30
Baker, Louisiana 70704-0030
Phone (225) 775-4982 * Fax (225) 775-4912
mstages@butlercpa.brcoxmail.com

Louisiana Society of Certified Public Accountants
American Institute of Certified Public Accountants
Association of Governmental Accountants
Governmental Audit Quality Control Center

INDEPENDENT AUDITORS' REPORT

Commissioners of the Board of Control
West Feliciana Parish Library
P. O. Box 3120
St. Francisville, Louisiana 70775

We have audited the accompanying financial statements of the governmental activities and the aggregate remaining fund information of the West Feliciana Parish Library, a component unit of the West Feliciana Parish Police Jury, as of and for the year ended December 31, 2010, which collectively comprise the West Feliciana Parish Library's component unit financial statements as listed in the table of contents. These financial statements are the responsibility of the West Feliciana Parish Library's management. Our responsibility is to express an opinion on the component unit financial statements based on our audit.

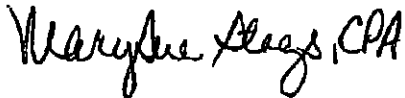
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the aggregate remaining fund information of the West Feliciana Parish Library, a component unit of the West Feliciana Parish Police Jury, as of December 31, 2010, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2011, on our consideration of the West Feliciana Parish Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grants agreements

and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule be presented to supplement the component unit financial statements. Such information, although not a part of the component unit financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the component unit financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the component unit financial statements and other knowledge we obtained during our audit of the component unit financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

A handwritten signature in black ink that reads "Mary Sue Stages, CPA". The signature is written in a cursive, flowing style.

Mary Sue Stages, CPA,
A Professional Accounting Corporation
June 24, 2011

REQUIRED SUPPLEMENTAL INFORMATION
(PART 1 OF 2)

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2010**

Management's discussion and analysis (MD&A) is a required element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in Statement No. 34. Its purpose is to provide an overview of the financial activities of the Library based on currently known facts, decisions and/or conditions.

OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION

These financial statements are comprised of three components – (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. There is also other supplementary information contained in this report provided for additional information.

Government-wide Financial Statements. The government-wide financial statements present financial information for all activities of the Library from an economic resource measurement focus using the accrual basis of accounting. These provide both short-term and long-term information about the Library's overall financial status. They include a statement of net assets and statement of activities.

Statement of Net Assets. This statement presents information on all of the Library's assets and liabilities with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Library is improving or not.

Statement of Activities. This statement presents information showing how the Library's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement is designed to show the Library's financial reliance on general revenues.

The government-wide financial statements can be found on pages 10-11 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Library uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Library has one category of funds: governmental funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements except that the focus with fund statements is to provide a distinct view of the Library's governmental funds only. These statements report short-term fiscal accountability emphasizing the use of spendable resources during the year and balances of spendable resources available at the end of the year.

Because the view of governmental funds is short-term and the view of the government-wide financial statements is long-term, it is useful to compare these two perspectives. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2010**

balances provides reconciliation to the government-wide statements to assist in understanding the differences between the two viewpoints.

Governmental funds of the Library include a general fund that is used to account for all accounts not required to be accounted for separately.

The fund financial statements can be found on pages 13-16 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The index of the notes is found on page 18 with the actual notes beginning immediately afterwards.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Library's budgetary comparisons on page 29. This schedule indicates the Library's compliance with its adopted and final revised budgets.

FINANCIAL ANALYSIS OF THE LIBRARY

Net assets are an indicator of the Library's financial position from year to year. A summary of net assets follows.

SUMMARY OF NET ASSETS Governmental Activities

	<u>2010</u>	<u>2009</u>
Assets		
Current and other assets	\$ 1,227,043.00	\$ 1,264,625.26
Restricted assets	4,238.66	11,342.47
Capital assets, net	<u>120,887.66</u>	<u>26,605.57</u>
Total Assets	1,352,169.32	1,302,573.30
 Liabilities		
Current liabilities	<u>5,868.80</u>	<u>5,058.48</u>
 Net Assets		
Invested in capital assets, net of accumulated depreciation and related debt	120,887.66	26,605.57
Restricted	4,238.66	11,342.47
Unrestricted	<u>1,221,174.20</u>	<u>1,259,566.78</u>
Net Assets	<u>1,346,300.52</u>	<u>1,297,514.82</u>

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2010**

The assets of the Library increased its assets by the conversion of restricted assets to capital assets and by its investment in capital assets. The most significant addition was \$73,502 in architectural fees for the construction of a new library.

A summary of changes in net assets is as follows:

**SUMMARY OF CHANGES IN NET ASSETS
Governmental Activities**

	<u>2010</u>	<u>2009</u>
Revenues		
Charges for services	\$ 10,561.51	\$ 8,857.03
Operating grants/contributions	2,031.39	3,518.46
Capital grants/contributions	17,166.44	18,533.61
General revenues:		
Taxes	272,157.42	274,320.03
Intergovernmental	6,050.00	8,995.00
Interest earned	1,865.53	4,148.06
Other revenues	<u>75.00</u>	<u>2,195.42</u>
 Total Revenues	 309,907.29	 320,567.61
 Expenses		
General government	<u>261,121.59</u>	<u>320,697.88</u>
 Change in net assets	 48,785.70	 (130.27)
 Net assets, beginning	 <u>1,297,514.82</u>	 <u>1,297,645.09</u>
 Net assets, ending	 <u>1,346,300.52</u>	 <u>1,297,514.82</u>

Net assets increased during the current year by \$48,786 during the current year. Revenues remained relatively the same, but operating expenses decreased by \$59,576.

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2010**

BUDGETARY HIGHLIGHTS

The Library received \$10,039 or 3% more in revenues than it anticipated for the year ended December 31, 2010. Expenditures were less than budgeted amounts by \$54,022 or 13% providing for a positive variance in the change in fund balances of \$64,062.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The Library's investment in capital assets, net of accumulated depreciation and related debt at December 31, 2010 and 2009, was \$120,888 and \$26,606, respectively. The Library clears its titles each year to ensure current resources. Other capital expended was for technological equipment (computers), monitoring system equipment and architectural design of a new library.

Capital assets at year-end are summarized as follows:

CAPITAL ASSETS		
Net of Accumulated Depreciation		
Governmental Activities		
	<u>2010</u>	<u>2009</u>
Depreciable Assets		
Building	\$ 73,502.10	\$.00
Equipment and furniture	13,549.79	8,654.59
Library collections	<u>33,835.77</u>	<u>17,950.98</u>
Net Depreciable Assets	<u>120,887.66</u>	<u>26,605.57</u>

Long-Term Debt: The Library currently has no long-term debt.

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2010**

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Library's finances, comply with finance-related laws and regulations and demonstrate the Library's commitment to public accountability. Any questions or requests for additional information can be obtained by contacting the West Feliciana Parish Library, P. O. Box 3120, St. Francisville, Louisiana 70775 or (225) 635-3364.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
STATEMENT OF NET ASSETS
DECEMBER 31, 2010**

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 384,010.23
Cash and cash equivalents, held by others	757,922.68
Receivables, net:	
Taxes	83,535.09
Prepaid expenses	1,550.00
Security deposits	25.00
Restricted assets:	
Cash and cash equivalents	4,238.66
Capital assets, net	<u>120,887.66</u>
Total Assets	1,352,169.32
 <u>LIABILITIES</u>	
Payroll withholdings and related payables	<u>5,868.80</u>
 <u>NET ASSETS</u>	
Invested in capital assets, net of accumulated depreciation and related debt	120,887.66
Restricted	4,238.66
Unrestricted	<u>1,221,174.20</u>
Total Net Assets	<u><u>1,346,300.52</u></u>

See Accompanying Notes and Independent Auditors' Report

See Accompanying Notes and Independent Auditors' Report

FUND FINANCIAL STATEMENTS

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2010**

ASSETS

Cash and cash equivalents	\$ 384,010.23
Cash and cash equivalents, held by others	757,922.68
Receivables, net:	
Taxes	83,535.09
Prepaid expenses	1,550.00
Security deposits	25.00
Restricted assets:	
Cash and cash equivalents	<u>4,238.66</u>
Total Assets	<u><u>1,231,281.66</u></u>

LIABILITIES AND FUND BALANCES

Liabilities:	
Payroll withholdings and related payables	5,868.80
Fund Balances:	
Designated for expansion	19,285.29
Reserved for:	
Technology and collections	4,238.66
Unreserved, undesignated	<u>1,201,888.91</u>
Total Fund Balances	<u>1,225,412.86</u>
Total Liabilities and Fund Balances	<u><u>1,231,281.66</u></u>

See Accompanying Notes and Independent Auditors' Report

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
DECEMBER 31, 2010**

Total Fund Balances - Total Governmental Funds	\$ 1,225,412.86
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Amounts reported for governmental activities in the
Statement of Net Assets are different because:

Capital assets used in governmental activities are not current
financial resources and, therefore, are not reported in the
Governmental Funds Balance Sheet. This is the capital
assets, net of accumulated depreciation, reported on the
Statement of Net Assets.

<u>120,887.66</u>

Total Net Assets - Governmental Activities
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<u><u>1,346,300.52</u></u>

See Accompanying Notes and Independent Auditors' Report

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2010**

REVENUES

Taxes - ad valorem	\$ 272,157.42
Intergovernmental revenues:	
Revenue sharing	6,050.00
State grants	17,166.44
Charges for services:	
Fines and other fees	10,561.51
Grants and other contributions	2,031.39
Other revenues	75.00
Interest earned	<u>1,865.53</u>
 Total Revenues	 309,907.29

EXPENDITURES

General government:	
Salaries and related benefits	166,690.91
Facility	31,501.42
Contracted services	37,076.29
Office/administrative	8,709.99
Programs/outreach	4,498.85
Capital outlay	<u>106,926.22</u>
 Total Expenditures	 <u>355,403.68</u>
 Net Change in Fund Balances	 (45,496.39)
 Fund Balances, beginning	 <u>1,270,909.25</u>
 Fund Balances, ending	 <u><u>1,225,412.86</u></u>

See Accompanying Notes and Independent Auditors' Report

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUNDS BALANCES
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2010**

Net Change in Fund Balances - Total Governmental Funds	\$ (45,496.39)
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Amounts reported for governmental activities in the
Statement of Activities are different because:

Governmental funds report capital outlays as expenditures.
However, in the Statement of Activities, the cost of those
assets is allocated over their estimated useful lives as
depreciation expense. This is the amount by which
depreciation charged differed from capital outlay in the
current period.

<u>94,282.09</u>

Change in Net Assets - Governmental Activities
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<u><u>48,785.70</u></u>

See Accompanying Notes and Independent Auditors' Report

NOTES TO FINANCIAL STATEMENTS

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
INDEX TO NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010**

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**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010**

INTRODUCTION

The West Feliciana Parish Library (hereinafter referred to as the Library), located in St. Francisville, Louisiana, was created by the West Feliciana Parish Police Jury as allowed under Louisiana Revised Statute 25:211. Eight commissioners who make up the Board of Control govern it. The West Feliciana Parish Police Jury appoints seven of the commissioners while the eighth member is the Police Jury President. He/she serves as an ex-officio member. They are not paid for their services.

The Library was created to provide the citizens of West Feliciana Parish access to Library materials, books, magazines, computers, videos and audio media.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The accounting and reporting practice of the Library conforms to governmental accounting principles generally accepted in the United States of America. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide *Audits of State and Local Governmental Units*.

Financial Reporting Entity: Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the West Feliciana Parish Police Jury is the financial reporting entity for West Feliciana Parish. The Library is considered a component unit of the West Feliciana Parish Police Jury because it appoints a voting majority of the Library's governing body. The accompanying financial statements present information only on the funds maintained by the Library and do not present information on the Police Jury, the general government services provided by that governmental unit or the other governmental units that comprise the financial reporting entity.

Government-wide Accounting: In accordance with Governmental Accounting Standards Boards Statement No. 34, the Library has presented a statement of net assets and statement of activities for the Library as a whole. These statements include the primary government and its component units, if applicable, with the exception of fiduciary funds. Those funds are reported separately. Government-wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Government-wide statements distinguish between governmental and business-type activities. Governmental activities are those financed through taxes, intergovernmental revenues and other non-exchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds.

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010**

Policies specific to the government-wide statements are as follows:

Eliminating Internal Activity

Inter-fund receivables and payable are eliminated in the statement of net assets except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances. The allocation of overhead expenses, from one function to another or within the same function, is eliminated in the statement of activities. Allocated expenses are reported by the function to which they were allocated.

Application of FASB Statements and Interpretations

Reporting on governmental-type and business-type activities is based on FASB Statements and Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

Capitalizing Assets

Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Infrastructure assets such as roads and bridges are also capitalized. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the statement of net assets.

Using the requirements of GASB Statement No. 34, the Library is considered a Phase 3 government, as its total annual revenues are less than \$10 million. Such governments were not required to report major general infrastructure assets retroactively. The Library does not have any infrastructure assets and opted not to retroactively report these types of capital assets.

Program Revenues

The statement of activities presents three categories of program revenues – (1) charges for services; (2) operating grants and contributions; and (3) capital grants and contributions. Charges for services are those revenues arising from charges to customers who purchase, use or directly benefit from goods and services provided by the Library. Grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are reserved for a specific use.

Indirect Expenses

Expenses are reported according to function except for those that meet the definition of special or extraordinary items. Direct expenses are specifically associated with a service or program. Indirect expenses include general government or administration that cannot be specifically traced to a service or program. Governments are not required to allocate indirect expenses to other functions, and the Library has chosen not to do so.

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010**

Operating/Non-Operating Revenues

Proprietary funds separately report operating and non-operating revenues.

Reserved Net Assets

Reserved net assets are those for which a constraint has been imposed either externally or by law. The Library recognizes the use of reserved resources for expenditures that comply with the specific restrictions. Reserved resources are exhausted before unreserved net assets are used.

Fund Accounting: The Library uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate entity with a self-balancing set of accounts. Funds of the Library are classified under one category: governmental. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds: Governmental funds account for all or most of the Library's general activities, including the collection and disbursement of specific or legally reserved monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds of the Library include:

1. General Fund – the primary operating fund that accounts for all activities not required to be reported in another fund.

Basis of Accounting/Measurement Focus: In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The type of financial statement presentation determines the accounting and financial reporting treatment applied to a fund.

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental and business-type activities are included in the statement of net assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the statement of activities. In these statements, capital assets are reported and depreciated in each fund, and long-term debt is reported.

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010**

The fund statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements present increases and decreases in net current assets. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated. Principle and interest paid on long-term debt is reported as current expenses.

Budgets: The Library adopts an annual budget for its general fund, prepared in accordance with the basis of accounting utilized by that fund. It is published and made available for public inspection prior to the start of the fiscal year. Appropriations lapse at year-end. There were amendments made to the budget during the fiscal year ended December 31, 2010.

Cash and Cash Equivalents: Cash includes amounts in demand and interest bearing demand deposits and money market savings. Cash equivalents include amounts in investments with original maturities of 90 days or less. Under state law, the Library may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law or any other state of the United States or under the laws of the United States.

Investments: Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. These include funds held by the Louisiana Asset Management Pool (LAMP). In accordance with GASB Statement No. 31, investments are recorded at fair value, based on quoted market prices, with the corresponding increase or decrease reported in investment earnings.

Inventory: Inventory of the Library includes only office supplies, the amount of which is considered immaterial. Therefore, the acquisition of such items is expensed when purchased, and the inventory on hand at year-end is not reported in the accompanying financial statements.

Receivables: Trade receivables are recorded at management's estimate of the amount that is expected to be collected. This is based in part on historical information. There is no allowance recorded in the accompanying financial statements as management expects 100% of its outstanding receivables to be collected. Revenues become susceptible to accrual when they become both measurable and available.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Capital Assets: The Library's assets are recorded at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Library maintains a threshold level of \$500 or more for capitalizing assets. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows: equipment and furniture – 5-7 years; Library collection – 3-5 years.

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010**

Compensated Absences: Full-time employees earn vacation and sick leave at various rates (5 to 20 days) depending upon the length of their employment with the Library. Unused leave may be carried over to the subsequent year but only unused vacation leave will be paid at the date of separation. The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as current-year expenditure in the General Fund when leave is actually earned. Because unused leave is immaterial, no provision for compensated absences is recorded in the accompanying financial statements.

Long-Term Obligations: In the government-wide financial statements, debt principal payments of government activities are reported as decreases in the balance of the liability on the statement of net assets. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid.

Net Assets/Fund Balances: In the statements of net assets, the difference between a government's assets and liabilities is recorded as net assets. The three components of net assets are as follows:

Invested in Capital Assets, Net of Related Debt

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Assets

Net assets that are reserved by external sources such as banks or by law are reported separately as restricted net assets. When assets are required to be retained in perpetuity, non-expendable net assets are recorded separately from expendable net assets. These are components of restricted net assets.

Unrestricted Net Assets

This category represents net assets not appropriable for expenditures or legally segregated for a specific future use.

In the Balance Sheet of governmental funds, fund balances are segregated as follows:

Reserved

These resources are segregated because their use is earmarked for a specific use.

Unreserved

This category represents that portion of equity not appropriable for expenditures or legally segregated for a specific future use.

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010**

NOTE 2 – CASH AND CASH EQUIVALENTS

Deposits are stated at cost, which approximates market. Under state law, they must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Even though pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, La. Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

With the adoption of GASB Statement No. 40, only deposits are considered exposed to custodial credit risk are required to be disclosed. The Library has no deposits exposed to custodial credit risk.

The cash and cash equivalents on hand (book balances) of governmental activities are as follows:

Demand deposits	\$ 32,598.21
LAMP, Inc.	355,650.68
LAMP, Inc., held by others	<u>757,922.68</u>
Total	<u>1,146,171.57</u>

The Library has investments in a local government investment pool that is administered by a non-profit corporation, LAMP, Inc. This corporation was organized under the laws of the State of Louisiana, and its purpose is to provide a safe environment for the placement of public funds in short-term, high-quality investments. Investments included in its portfolio, that is restricted to those issued, guaranteed or backed by the U.S. Treasury, the U.S. Government or one of its assigns, include only those with maturities of ninety days or less. This design allows participants immediate access to their funds. For this reason, the account balances at year-end are recorded in the accompanying financial statements as cash and cash equivalents.

Of the cash balances included above, \$757,922.68 is held by the West Feliciana Parish Police Jury on behalf of the Library. Access to these funds is at the discretion of the Police Jury. There is also \$4,238.66 in demand deposits that is restricted by the donor for the purchase of technology and collections.

NOTE 3 – RECEIVABLES

The net receivables at December 31, 2010, are as follows:

Taxes	\$ <u>83,535.09</u>
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**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010**

No allowance has been recorded as all receivables due at year-end are expected to be collected. The Library utilizes the allowance method for receivables.

NOTE 4 – PREPAID EXPENSES

Prepaid expenses comprise the following at December 31, 2010:

Rent	\$ 1,200.00
Insurance (unexpired policy term)	<u>350.00</u>
Total	<u>1,550.00</u>

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2010, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital Assets, being depreciated				
Building	\$.00	\$ 73,502.10	\$.00	\$ 73,502.10
Equipment and furniture	82,295.07	6,878.81	.00	89,173.88
Less: accumulated depreciation	<u>73,640.48</u>	<u>1,983.60</u>	<u>.00</u>	<u>75,624.09</u>
Net Equipment and Furniture	8,654.59	4,895.21	.00	13,549.79
Library collections	326,354.42	26,545.31	59,919.42	292,980.31
Less: accumulated depreciation	<u>308,403.44</u>	<u>10,660.53</u>	<u>59,919.42</u>	<u>259,144.54</u>
Net Library Collections	<u>17,950.98</u>	<u>15,884.78</u>	<u>.00</u>	<u>33,835.77</u>
Capital Assets, being depreciated, net	<u>26,605.57</u>	<u>94,282.09</u>	<u>.00</u>	<u>120,887.66</u>

All depreciation expense was charged to governmental activities.

In November of 2007, a parcel of land was donated to the West Feliciana Parish Police Jury to be used exclusively for the construction of a new Library. The appraised value of the land is estimated at \$490,000. Plans are underway to design and construct a Library on this site.

NOTE 6 – ACCOUNTS AND OTHER PAYABLES

The payables, with the exception of intergovernmental transactions, are as follows at December 31, 2010:

Payroll withholdings and related	\$ <u>5,058.48</u>
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**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010**

NOTE 7 – INTERGOVERNMENTAL TRANSACTIONS

Intergovernmental revenues for the year ended December 31, 2010, were as follows:

<u>Payor/Type</u>	
State revenue sharing	\$ 6,050.00
State grants	<u>17,166.44</u>
Total	<u>23,216.44</u>

NOTE 8 – LONG-TERM LIABILITIES

The Library does not currently have any long-term debt.

NOTE 9 – LEASES

Operating Leases. The Library leases a building from the West Feliciana Historical Society on a month-to-month basis at a rate of \$1,200 per month. Total rent paid during the year was \$14,400.

Capital Leases. The Library has no capital leases.

NOTE 10 – RETIREMENT PLAN

Substantially all employees of the West Feliciana Parish Library are members of the Parochial Employees Retirement System of Louisiana, a multiple-employer, public employee retirement plan controlled and administered by a separate board of trustees. All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds are eligible to participate. Contributions of participating agencies are pooled within the System to fund accrued benefits, with contribution rates approved by the Louisiana Legislature.

The System is composed of two distinct plans – Plan A and Plan B – with separate assets and benefit provisions. All participants of the Library are members of Plan B. Under Plan B, employees who retire at or after age 62 with at least 10 years of creditable service or at or after age 55 with at least 30 years of creditable service are entitled to retirement benefits, payable monthly for life, equal to 2% of their final average salary in excess of \$100 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service but less than 30 years may take early retirement benefits commencing at or after age 60, with the benefit reduced 3% for each year retirement precedes age 62.

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010**

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, P. O. Box 14619, Baton Rouge, Louisiana 70898.

Funding Policy: Plan members are required to contribute 3% of their annual covered salary and the Library is required to contribute 6.25% of annual covered payroll. The Library's contributions to the System for the years ending December 31, 2010 and 2009, were \$8,460.44 and \$6,484, respectively, equal to the required contributions for each year.

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS

The Library does not provide post-employment benefits.

NOTE 12 – RELATED PARTY TRANSACTIONS

There are no related party transactions that require disclosure in the accompanying basic financial statements.

NOTE 13 – LITIGATION AND CLAIMS

There is no litigation that would require disclosure in the accompanying basic financial statements.

NOTE 14 – SUBSEQUENT EVENTS

There were no events between the close of the year through issuance of this report that would materially impact these basic financial statements.

REQUIRED SUPPLEMENTAL INFORMATION
(PART 2 OF 2)

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary</u> <u>Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Taxes - ad valorem	\$ 280,917.00	\$ 264,105.00	\$ 272,157.42	\$ 8,052.42
Intergovernmental revenues:				
Revenue sharing	8,995.00	6,050.00	6,050.00	-
State grants	18,500.00	17,166.00	17,166.44	0.44
Charges for services:				
Fines and other fees	8,925.00	8,892.00	10,561.51	1,669.51
Grants and other contributions	2,400.00	990.00	2,031.39	1,041.39
Other revenues	651.00	608.00	75.00	(533.00)
Interest earned	4,300.00	2,057.00	1,865.53	(191.47)
Total Revenues	324,688.00	299,868.00	309,907.29	10,039.29
<u>EXPENDITURES</u>				
General government:				
Salaries and related benefits	174,765.00	160,127.00	166,690.91	(6,563.91)
Facility	38,638.00	37,545.00	31,501.42	6,043.58
Contracted services	17,754.00	34,272.00	37,076.29	(2,804.29)
Office/administrative	9,278.00	10,226.00	8,709.99	1,516.01
Programs/outreach	6,400.00	5,668.00	4,498.85	1,169.15
Capital outlay	35,415.00	161,588.00	106,926.22	54,661.78
Total Expenditures	282,250.00	409,426.00	355,403.68	54,022.32
Net Change in Fund Balances	42,438.00	(109,558.00)	(45,496.39)	64,061.61
Fund Balances, beginning	1,270,909.25	1,270,909.25	1,270,909.25	-
Fund Balances, ending	1,313,347.25	1,161,351.25	1,225,412.86	64,061.61

See Independent Auditors' Report

SUPPLEMENTARY INFORMATION

**MARY SUE STAGES, CPA
A PROFESSIONAL ACCOUNTING CORPORATION**

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3121 Van Buren Street, Suite A
P. O. Box 30
Baker, Louisiana 70704-0030
Phone (225) 775-4982 * Fax (225) 775-4912
mstages@butlercpa.brcoxmail.com

*Louisiana Society of Certified Public Accountants
American Institute of Certified Public Accountants
Association of Governmental Accountants*

**REPORT ON COMPLIANCE AND OTHER MATTERS AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Commissioners of the Board of Control
West Feliciana Parish Library
P. O. Box 3120
St. Francisville, Louisiana 70775

We have audited the financial statements of the West Feliciana Parish Library as of and for the year ended December 31, 2010, and have issued our report thereon dated March 17, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the West Feliciana Parish Library's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that is required to be reported under *Government Auditing Standards*.

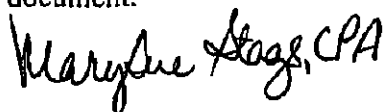
Internal Control over Financial Reporting

In planning and performing our audit, we considered the West Feliciana Parish Library's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the West Feliciana Parish Library's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the West Feliciana Parish Library's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, others within the agency, the Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in black ink that reads "Mary Sue Stages, CPA". The signature is written in a cursive, flowing style.

Mary Sue Stages, CPA,
A Professional Accounting Corporation
June 24, 2011

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
SCHEUDLE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2010**

We have audited the financial statements of the West Feliciana Parish Library as of and for the year ended December 31, 2010, and have issued our report thereon dated June 24, 2011. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2010, resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

A. Report on Compliance and Internal Control Material to the Financial Statements

Compliance	Material Weakness	■ No
	Control Deficiency(ies)	■ No
Internal Control	Material Weakness	■ No
	Control Deficiency(ies)	■ No

B. Federal Awards

N/A

C. Identification of Major Programs

N/A

Section II Financial Statement Findings

None

Section III Federal Award Findings and Questioned Costs

None

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED DECEMBER 31, 2010**

Section I Internal Control and Compliance Material to the Financial Statements

None

Section II Compliance and Internal Control Material to Federal Awards

None

Section III Financial Statement Findings

2009-01 Compliance with Governmental Budget Act

Condition/Effect: Total expenditures of the Library were in excess of budgeted amounts by \$20,647 or 8% based on a comparison with the amended budget.

Recommendation: We recommend that the budget to actual comparison be reviewed on a basis at least quarterly and consideration be given to anticipated activity through year-end. The budget should be amended accordingly.

Disposition: Resolved

Section IV Management Letter

N/A

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2010**

Section I Compliance and Internal Control Material to the Financial Statements

N/A

Section II Compliance and Internal Control Material to Federal Awards

N/A

Section III Management Letter

N/A